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## MINISTRY OF COMMERCE AND INDUSTRY

(Forward Markets Commission)

### NOTIFICATION

*Bombay, the 20th July 1955*

**S.R.O. 1615.**—In exercise of the powers conferred by Section 12 of The Forward Contracts (Regulation) Act, 1952, (No. LXXIV of 1952), read with the order of the Government of India in the Ministry of Commerce and Industry No. S.R.O. 2618 dated the 30th July, 1954, the Secretary, Forward Markets Commission, hereby makes the following amendments to the Bye-laws of the East India Cotton Association Ltd., Bombay, namely:—

1. In Bye-law 27A for the words "Provincial Government" wherever they occur the words "Forward Markets Commission" shall be substituted.

2. In Bye-law 31:—

- (i) In clause (1) for the words "cotton sold" the words "cotton tenderable or sold" shall be substituted;
- (ii) In sub-clause (b) of clause (2) for the figure and mark "25/32" "the figure and mark "13/16" shall be substituted, and at the end the word "and" shall be inserted;
- (iii) for sub-clause (c) and (d) of Clause (2) the following shall be substituted, namely:—

"(c) the spot prices of cotton in the interior markets."

3. Bye-law 31A shall be deleted.

4. In by-law 32 for Clause (2) the following shall be substituted, namely:—

"(2) On or about the due date of the Hedge Contract, the Board shall fix and register the spot rate for basic cotton for the due date for the purpose of invoicing back under By-law 64, taking into account—

- (a) the prices at which the cotton is sold in the Bombay Spot Market,
- (b) the ruling spot prices of other styles of cotton tenderable under the Hedge Contract and having a 13/16" staple, and
- (c) the spot prices of cotton in the interior markets".

5. In Bye-law 33:—

- (i) for Clause (1) the following shall be substituted namely:—

"(1) The rates fixed and registered as aforesaid (and where the Board has itself not fixed a rate, subject to a right of appeal to the Board, provided it be lodged with the Secretary before 1 P.M., on the next working day, on payment of an appeal fee of Rs. 50/- or such other fee not exceeding Rs. 100/- as the Board may from time to time fix), shall be binding on all parties entering into contracts for sale or purchase of cotton according to these Bye-laws."

(ii) In clause (2) the sentence commencing with the words "It shall be no objection" and ending with the words "for which such rate was fixed and registered" shall be deleted.

(iii) The following shall be inserted as clause (3), namely:—

"(3) A rate fixed and registered by the Board, or a Panel of the Daily Rates Committee, or the Committee appointed under By-law 34A, or the Special Committee appointed under By-law 55 shall not be open to objection on the ground that some or all of the members of the Board or of any such Panel or Committee were themselves interested in contracts for someone or more of the descriptions of cotton for which such rate was fixed and registered."

6. For By-law 34A the following shall be substituted, namely:—

"34A.—(1) The Board shall appoint a Committee consisting of not less than five and not more than seven persons chosen from the members of the Association or their duly authorised or nominated representatives to fix on the application of any member (a) special rates for invoicing back cotton other than cotton sold by description and (b) any rate not fixed under By-law 31 or 32. Three members of the Committee shall form a quorum.

(2) On an application to fix special rates for invoicing back cotton other than cotton sold by description, a fee of Rs. 15 per sample shall be paid by the applicant, out of which Rs. 5 shall be credited to the Association and Rs. 10 divided equally amongst the members of the Committee present at the meeting.

(3) On an application to fix any other rate as aforesaid, the application shall specify the growth of cotton and the date in respect of which the rate is to be fixed, and the applicant shall pay to the Association a fee of Rs. 50, out of which Rs. 20 shall be credited to the Association and Rs. 30 divided equally amongst the members of the Committee present at the meeting. The Committee in fixing such rate for Indian cotton, shall take into account the then prices at which cotton was sold in the Bombay spot market and the then spot prices of cotton in the interior markets and, in fixing any such rate for foreign cotton, the then prices at which such cotton or cotton of an equivalent growth was sold in the Bombay spot market and in the foreign market.

(4) A rate fixed under Clauses (2) and (3) hereof, (subject to a right of appeal to the Board, provided it be lodged with the Secretary before 1 P.M., on the fourth day following the date of fixation of the rate appealed against and on payment of an appeal fee of Rs. 100) shall be final and binding on the parties concerned.

(5) All appeal fees payable under this By-law shall be dealt with in accordance with Clause (2) of By-law 33."

7. In By-law 47A for Clause (1) the following shall be substituted, namely:—

"(1) All hedge and delivery contracts shall be subject to the floor and ceiling prices, if any, fixed under the provisions of the Essential Commodities Act, 1955."

8. In By-law 49 for the word "illegal" the word "void" shall be substituted.

9. In By-law 50 for Clause (f) the following shall be substituted, namely:—

"(f) No person shall trade in a Hedge or Delivery Contract after 1 P.M. on the due date of such contract".

10. In By-law 52AA in clause (1) for the words brackets and figure "Essential Supplies (Temporary Powers) Act, 1946" the words and figure "Essential Commodities Act, 1955" shall be substituted.

11. In By-law 52B:—

(i) for Sub-clauses (a), (b) and (c) of Clause (III) the following shall be substituted, namely:—

"(a) the prices at which cotton is sold in the Bombay spot market, and

(b) the spot prices of cotton in the interior markets."

(ii) Clause (VIII) shall be deleted.

12. For By-law 53 the following shall be substituted, namely:—

"53.—For the purpose of hedging, there shall be one Hedge Contract styled "The Indian Cotton Contract". The basis of this Contract shall be fine M. G. Jarilla (A) staple 13/16" as per standard to be prepared from Jarilla Cotton grown in Khandesh District of Bombay State or in the States of Madhya Pradesh, Madhya Bharat or Hyderabad tenderable upto two classes 'on' and one class 'off' for grade and upto 2/32" 'on' 1/32" 'off' for staple, values 'on' and 'off' for grade and 'on' and 'off' for staple.

The description of cotton and their respective basic staple lengths tenderable under the Indian Cotton Contract shall be as specified in Column (2) of the Hedge Schedule. The maximum staple lengths tenderable shall be as specified in Column (3) of the Hedge Schedule.

The following standard samples for class shall be prepared for each of the descriptions specified in Column (2) of the Hedge Schedule:—

**Extra Superfine, Superfine, Fine (Basis), Fully Good and Good to Fully Good (i.e. half a Class off Fully Good).**

Cotton below the Standard "Fully Good" shall be rejected.

The following Standards for staple shall also be prepared:—

23/32", 3/4", 25/32", 27/32", 7/8", 29/32", 15/16" and 31/32".

Months of Delivery:—February, May and August.

Delivery Period:—1st to 25th of the month."

13. In By-law 54:—

In clause (a):—

(i) for the word "contracts" the word "descriptions" shall be substituted;

(ii) after sub-clause (5) the following proviso shall be inserted, namely:—  
"provided that in the case of Jarilla B the staple length shall not be less by more than 1/32".

14. In By-law 54B:—

(i) for Clause (2) the following Clause shall be substituted namely:—

"(2) Delivery upcountry shall only be permitted for the following descriptions of cotton at the place shown opposite as a place tenderable:—

Description of Cotton	Places tenderable
M.G. Jarilla A } M.G. Jarilla B }	Jalgaon, Pachora, Dhulia, Ahmednagar, Khandwa, Wardha, Nagpur, Wun, Akola, Amraoti, Karanja, Yeotmal, Khamgaon, Malkapur, Ujjain, Indore, Jalna, Hingoli, Sillu, Aurangabad.
M.G. Gaorani 6 & 12 . . . . .	Nanded, Hingoli, Latur, Umri, Parbhani.
M.G. Vijay . . . . .	Broach, Dabhoi, Kapadvanj, Miyagam.
M.G. Ankleshwar . . . . .	Jagadia.
M.G. Surti . . . . .	Surat, Navsari, Bardoli.
M.G. Kalyan including Kalyan (certified) grown in Saurashtra .	Ahmedabad, Viramgam, Kadi.
R.G. & S.G. Punjab/American L.S.S. .	Abohar, Fazilka, Giddarbaha, Muktsar, Malout.
R.G. & S.G. Punjab/American 216F .	Abohar, Fazilka, Muktsar, Malout, Giddarbaha, Taran, Taran, Khanna, Kotkapura, Kaithal, Hansi, Dhuri, Nabha, Rampura Phul.
R.G. & S.G. Punjab/American 320F .	Abohar, Fazilka, Muktsar, Malout, Giddarbaha, Taran-Taran, Khanna, Korkapura, Kaithal, Hansi, Dhuri, Nabha, Rampura Phul.
M.G. Jayadhar A . . . . .	Hubli, Gadag.
M.G. Jayadhar B . . . . .	Bagalkot, Bijapur.
M.G. Laxmi A (Including M.A. 5) . . . . .	Gadag, Hubli.
M.G. Laxmi B . . . . .	Bijapur & Bagalkot.
M.G. Western . . . . .	Adoni, Bellary, Raichur.
M.G. Cambodia . . . . .	Tirupur, Coimbatore, Virudhunagar.
M.G. Karunganni . . . . .	Tuticorin, Coimbatore.

Provided that the Board shall have power from time to time to modify the foregoing schedule".

(ii) In sub-clause (b) of clause (9) for the figure "1" the figure "1" shall be substituted.

15. In By-law 55 for clause (b) the following shall be substituted, namely:—
 

“(b) “On” allowances for staples of  $1/32''$  and  $2/32''$  above the staple lengths specified in Column 2 of the Hedge Schedule but—

upto  $7/8''$  for Basic Jarilla A, Vijay, Kalyan' Punjab/American L.S.S., R.G. & S.G., Western and Karunganni;

upto  $29/32''$  for Ankleshwar, Punjab/American 320F, R.G. & S.G. and Jayadhar (B);

upto  $15/16''$  for Gaorani 6 & 12, Surti, Punjab/American 216F R.G. & S.G., Jayadhar (A) and Laxmi (B); and

upto  $31/32''$  for Laxmi (A) and Cambodia.”
16. In By-law 53A:—
 

In clause (d):—

  - (i) For the figure “ $25/32$ ” the figure “ $13/16$ ” shall be substituted.
  - (ii) In the proviso for the words and figure “by the Textile Commissioner under the Cotton Control Order, 1950.” the words and figure “under the provisions of the Essential Commodities Act, 1950.” shall be substituted.
17. In By-law 61:—
  - (i) In clause (3) for the words “Cotton tendered is less” the words “Cotton tendered except in the case of Jarilla B is less” shall be substituted.
  - (ii) In sub-clause (b) of clause (4) for the figure and mark “ $1/16$ ” the following figures, marks, letter and words shall be substituted, namely:—
 

“ $1/32''$  in the case of Jarilla B and is less by not more than  $1/16''$  in the case of other descriptions.”
18. In By-law 84A the words “except in the case of Southern cottons when current crops may be tendered and/or delivered upto the last day of February next following” shall be deleted.
19. In By-law 110:—
  - (i) In sub-clause (e) of clause (1) for the words, brackets and figure “by the Government of India under the Essential Supplies (Temporary Powers) Act, 1946” the words and figure “under the provisions of the Essential Commodities Act, 1955” shall be substituted;
  - (ii) the words “by Government” wherever they occur shall be deleted.
20. In By-law 128, for Clause (2) the following shall be substituted, namely:—
 

“(2) The Surveyors shall also prepare or cause to be prepared and passed in like manner, standards for staple of  $13/16''$  in length of Fine M.G. Jarilla (A) Cotton and for staples of  $32/32''$ ,  $3/4''$ ,  $25/32''$ ,  $27/32''$ ,  $7/8''$ ,  $29/32''$ ,  $15/16''$  and  $31/32''$  in length and report the same to the Board. Standards for staples upto and including  $7/8''$  shall as far as possible be prepared from a Jarilla growth and for staples above  $7/8''$  if suitable Jarilla Cotton is not available, then such standards shall be prepared from any suitable variety.”
21. In By-law 150 the sentence beginning with the words “In Instruction Forms submitted” and ending with the words “issuing or taking over delivery orders” shall be deleted.
22. By-law 150A shall be deleted.
23. After By-law 163 the following shall be inserted, namely:—
 

“163A. For purposes of Hedge Contracts and Delivery Contracts for current crops of the Cotton Season 1954-55, the provisions of the by-laws, Schedule and Form noted hereunder as they stood immediately before the 23rd July 1955 shall be applicable, namely:—

By-laws 27A, 31, 31A, 32, 33, 34A, 47A, 49, 50, 52AA, 52B, 53, 54B, 55, 55A, 61, 84A, 110, 128, 150 and 150A and Hedge Schedule and Instruction Form 4,

and for purposes of such contracts for crops of Cotton Season 1955-56, and thereafter, the said provisions as amended on the aforesaid date shall be applicable.”

24. For the Hedge Schedule appended to the By-laws the following shall be substituted, namely:—

“HEDGE SCHEDULE

Hedge Contract	Descriptions	Tenderable up to	Places where cotton is pressed or grown
Indian Cotton Contract	M.G. Jarilla (A) 13/16" staple; tenderable varieties being, Jarilla Virnar 197/3, Verum, M.P. Cambodia, M.B. Cambodia, M.B. Upland, Gaorani (Bani), Malvi, Bhoj, H.420, Buri/American, Parbhani/American and Gaorani 6 & 12.	7/8"	All places in Nasik, Bijapur East and West Khandesh Districts (Excluding Akkalkuwa and Navapur Talukas) Sholapur, Ahmednagar and Poona Districts of Bombay State and States of Madhya Pradesh, Madhya Bharat, Bhopal and Hyderabad.
	M.G. Jarilla (B) 3/4" staple (without tolerance)	3/4"	Places same as above
	M.G. Gaorani 6 & 12 7/8" staple.	15/16"	All places in Nanded, Bidar and Parbhani Districts, the Latur Taluka of the Osmanabad District and Nirmal Taluka of the Adilabad District of Hyderabad State.
	M.G. Vijay 13/16" staple; tenderable varieties being, Vijay Nandurbar, Surti, Talod Surti and Dehgam 1027.	7/8"	All places in the Broach (excluding Ankleshwar, Jhagadia and Dediapada Talukas and part of Nandod Taluka lying south of the river Narbuda and Hansot Valia and Sagbara Mahals) Baroda, Kaira (except the Talukas of Cambay and Petlad) Panch Mahals and Sabarkantha Districts, Nandurbar Taluka of West Khandesh District and part of Ahmedabad District (lying south of the river Sabarmati including part of Daskroi and city talukas and the whole of Dehgam Taluka) of Bombay State.
	M.G. Ankleshwar 27/32" staple; tenderable varieties being, Ankleshwar, Rajpipla, Jhagadia, Netrang, Navapur.	29/32"	All places in Ankleshwar, Jhagadia, Nandod Talukas, (Rajpipla) and Valla Mhal, (Netrang) of the Broach District and Navapur and Akkalkuwa Talukas of West Khandesh District of the Bombay State.
	M.G. Surti 7/8" staple; tenderable varieties being, Surti, Sanyog and 2087.	15/16"	All places in the Surat District and Hansot Mahal of the Broach District.

Hedge	Contr	Descriptions	Tenderable upto	Places where cotton is pressed or grown.
Indian Contract	Cotton			<p><i>Note</i>:-If certification by the Agriculture Department is continued and included in the Textile Commissioner's Notification then certified 2087 cotton grown in Ankleshwar, Jhagadia, Rajpipla, Netrang and Navapur should be tenderable against 13/16" also.</p> <p>All places in the Ahmedabad (excluding part of Ahmedabad district lying south of the river Sabarmati, part of Daskroi and city Talukas and whole of Dehgam Taluka) and Mehsana Districts, Cambay and Patlad Talukas in Kaira District of the Bombay State. All places in the State of Saurashtra provided the areas in which the cotton has been grown have been protected under the cotton Transport Act 1923 or duly certified by the Department of Agriculture.</p>
		M.G. Kalyan 13/16" staple; tenderable varieties being, Kalyan, Kalyan cotton grown in Saurashtra (Certified) and Vijay cotton grown in Cambay and Petlad.	7/8"	
		Roller ginned & Saw ginned Punjab/American L.S.S. 13/16" staple.	7/8"	All places in Ferozepore District of the Punjab State,
		Roller ginned & Saw ginned Punjab/American 32OF 27/32" staple.	29/32"	All places in the States of Punjab, Patiala and East Punjab States Union and Uttar Pradesh,
		Roller ginned & Saw ginned Punjab/American 216F 7/8" staple.	15/16"	All places in the States of Punjab Patiala and East Punjab States Union and the States of Uttar Pradesh and Madras,
		M.G. Jayadhar (A) 7/8" Staple.	15/16"	All places in the Dharwar District and Sampgaon Taluka of Belgaum District of the Bombay State.
		M.G. Jayadhar (B) 27/32" staple.	29/32"	All places in Belgaum (except Sampgaon Taluka) Bijapur, North & South Satara and Kolhapur Districts of the Bombay State and Chitaldurg District of Mysore State and Raichur District of Hyderabad State.
		M.G. Laxmi (A) 29/32" staple; tenderable varieties being Laxmi and M.A. 5.	31/32"	All places in the Dharwar District and Sampgaon Taluka of Belgaum District of the Bombay State and Arsikere Taluka of Hassan District of the Mysore State.

Hedge Contract	Description	Tenderable upto	Places where cotton is pressed or grown
Indian Cotton Contract	M.G. Laxmi (B) 7/8" staple.	15/16"	All places in Belgaum (except Sampgaon Taluka) Biliapur North & South Stars and Kolhapur Districts of the Bombay State, Raichur District of the Hyderabad State, Kurnool, Cuddapah and Anantapur Districts of the Andhra State & Bellary Districts of the Mysore State.
	M.G. Western 13/16" staple; tenderable varieties being, Western, Northern, Hagari I (Western Farm) and Nandyal 14.	7/8"	All places in the Bellary District of the Mysore State & Kurnool, Anantapur and Cuddapah Districts of the Andhra State and Gulbarga and Raichur Districts of the Hyderabad State.
	M.G. Cambodia 29/32" staple; tenderable varieties being, Cambodia, Avnashi, Cambodia Co2, Cambodia Co3, Cambodia 4462, and Cambodia Co4 (including Co4 B/40 Cambodia, Uganda 1, MUI & MU2) otherwise known as Rajpalayam and also Cambodia Co4 170 Co2 & 134 Co2M.	31/32"	All places in the North Arcot South Arcot, Coimbatore, Salem, Truchirapalli, Mathurai, Ramanathapuram, Tirunelveli & Chingleput Districts of the Madras State, Chittoor District of the Andhra and in States of Bhopal and Bombay in respect of Cambodia Co 4 and also in the state of Bombay in respect of 170-Co2 and 134-Co2M.
	M.G. Karunganni 13/16" staple; tenderable varieties being, Karunganni, Tinnevely, Salems (Nadam, Bourbon and Uppam), Karunganni K2 and Karunganni K5.	7/8"	All places in Coimbatore, Mathurai, Ramanathapuram, Tirunelveli, South Arcot, Salem, Tiruchirapalli Tanjore, Malabar and South Kanara Districts of the Madras State and the Mysore District of the Mysore State.

NOTE :—A tolerance of 1/32" is allowed in respect of all the varieties mentioned above except in Jarilla (B) i.e. the buyer shall be bound to take these cottons tendered if they are less by not more than 1/32" than the staple specified in column 2 above".

25. In Instruction Form 4 appended to the By-laws for the words and letters below the tabular portion the following shall be substituted, namely:—

"We are not long/short of.....bales.

N.B.—Each contract entered above is for 50 bales and the price must invariably be written in full against each entry."

And in pursuance of the powers conferred by the proviso to Sub-Section (4) of the said Section, the Secretary, Forward Markets Commission hereby directs that the condition of previous publication of the amendments in the Gazette of India and the Bombay Government Gazette be dispensed with in the interest of the trade.

[No. 7-C/7/55/FMC.]

M. A. MULKY, Secy.

Forward Markets Commission.

[No. 30/5/54-I.P.(B).]

K. B. LALL, Joint Secy.

